

EXHIBIT G

EDGAR[®]Online

WALGREEN CO

FORM 10-K (Annual Report)

Filed 10/26/10 for the Period Ending 08/31/10

Address	200 WILMOT RD DEERFIELD, IL 60015
Telephone	8479402500
CIK	0000104207
Symbol	WAG
SIC Code	5912 - Drug Stores and Proprietary Stores
Industry	Retail (Drugs)
Sector	Services
Fiscal Year	08/31

Powered By **EDGAR**[®]Online

<http://www.edgar-online.com>

© Copyright 2010, EDGAR Online, Inc. All Rights Reserved.

Distribution and use of this document restricted under EDGAR Online, Inc. Terms of Use.

PART I

Item 1. Business

Walgreen Co., together with its subsidiaries, operates the largest drugstore chain in the United States with net sales of \$67.4 billion in the fiscal year ended August 31, 2010. We provide our customers with convenient, multichannel access to consumer goods and services, and pharmacy, health and wellness services in communities across America. We offer our products and services through drugstores, as well as through mail, by telephone, and via the Internet.

We sell prescription and non-prescription drugs as well as general merchandise, including household products, convenience foods, personal care, beauty care, candy, photofinishing and seasonal items. Our pharmacy services includes retail, specialty, infusion, medical facility, long-term care and mail service, along with pharmacy benefit solutions and respiratory services. These services help improve health outcomes and manage costs for payers including employers, managed care organizations, health systems, pharmacy benefit managers and the public sector. Our Take Care Health Systems subsidiary is a manager of worksite health centers and in-store convenient care clinics, with more than 700 locations throughout the United States.

Walgreen Co. was incorporated as an Illinois corporation in 1909 as a successor to a business founded in 1901. Our principal executive offices are located at 200 Wilmot Road, Deerfield, Illinois, 60015.

References in this Form 10-K to "Walgreens", the "Company," "we," "us" or "our" refer to Walgreen Co. and its subsidiaries included in the consolidated financial statements, except as otherwise indicated or the context otherwise requires. Our fiscal year ends on August 31, and references herein to "fiscal 2010" refer to our fiscal year ended August 31, 2010.

(a) General development of business.

As of August 31, 2010, Walgreens operated 8,046 locations in 50 states, the District of Columbia, Puerto Rico and Guam. In 2010 the Company opened or acquired 670 locations for a net increase of 550 locations after relocations and closings. Total locations do not include 352 convenient care clinics operated by Take Care Health Systems, Inc. within our drugstores.

Location Type	Number of Locations		
	2010	2009	2008
Drugstores	7,562	6,997	6,443
Worksite Facilities	367	377	364
Home Care Facilities	101	105	115
Specialty Pharmacies	14	15	10
Mail Service Facilities	2	2	2
Total	8,046	7,496	6,934

Walgreens goal is to provide the most convenient multichannel access to consumer goods and services, and pharmacy health and wellness services through our 7,562 community based drugstores, as well as through our specialty pharmacy, home infusion, worksite health center and retail clinic businesses. Today, 72.7% of the population lives within five miles of a Walgreens and 5.9 million shoppers visit our stores daily. In addition to store shoppers, Walgreens.com receives approximately 15 million visits per month.

We seek to grow pharmacy market share through new store growth, comparable store sales increases, pharmacy prescription file purchases and strategic acquisitions. As an example, in fiscal 2010 we supplemented organic growth by expanding our presence in the New York metropolitan area through the acquisition of 258 Duane Reade drug stores.

We utilize our extensive retail network as a channel to provide affordable, quality, health and wellness services to our customers and patients, as illustrated by our ability to play a significant role in providing flu vaccinations. Finally, we market Walgreen Co. to employers, governments, managed care organizations and pharmacy benefit managers, expanding beyond our traditional retail consumer model, to contract directly with our payers. With more than 70,000 health care providers, Walgreens expects to continue to play a growing role in government and employer efforts to control escalating health care costs.

WALGREEN CO. AND SUBSIDIARIES
ANNUAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2010

As of August 31, 2010 Walgreen Co., (Registrant) had the following subsidiaries:

NAME	STATE OR COUNTRY OF INCORPORATION
Walgreen Arizona Drug Co. (1)	Arizona
Home I.V. Inc. (8)	California
North County Home I.V., Inc. (11)	California
Option Care, Inc. (9)	California
Walgreens China Business Trust (35)	China
Freedom Oxygen, Inc. (8)	Colorado
American Occupational Health Management, Inc. (24)	Delaware
Collins I.V. Care, LLC (8)	Delaware
Dependicare Home Health, LLC (8)	Delaware
Duane Reade, Inc. (33)	Delaware
Duane Reade Holdings, Inc (33)	Delaware
DRI-I, Inc. (34)	Delaware
Duane Reade International, LLC (34)	Delaware
Duane Reade Realty, Inc. (34)	Delaware
First RX Specialty and Mail Services, LLC (31)	Delaware
Happy Harry's Inc. (2)	Delaware
Happy Harry's Discount Drug Stores, Inc. (2)	Delaware
HHDH, Inc. (2)	Delaware
I-Trax Health Management Solutions, Inc. (23)	Delaware
Laurel Mountain Medical Supply, LLC (30)	Delaware
Walgreens Specialty Pharmacy Holdings, Inc. (3)	Delaware
Walgreens Specialty Pharmacy, LLC. (3)	Delaware
MedNow Infusion, LLC (18)	Delaware
Meridian COMP of New York, Inc. (24)	Delaware
Mosso's Medical Supply Company, LLC (8)	Delaware
Option Care Enterprises, Inc. (7)	Delaware
Option Care Home Health, L.L.C. (8)	Delaware
Option Care Nevada, LLC (8)	Delaware
Walgreens Infusion Services, Inc. (7)	Delaware
Optionet, Inc. (9)	Delaware
Salient Medical Centers, L.L.C. (8)	Delaware
Take Care Employer Solutions, LLC (23)	Delaware
Take Care Health Systems, Inc.	Delaware
Take Care Health Systems, LLC (6)	Delaware
Ultra Care, LLC (8)	Delaware
Walgreens Venture Capital, LLC	Delaware
Walgreens Store No. 3332, LLC	Delaware
Walgreens Store No. 4650, LLC	Delaware
Walgreens Store No. 4651, LLC	Delaware
Walgreens Store No. 5576, LLC	Delaware
Walgreens Store No. 5838, LLC	Delaware
Waltrust Properties, Inc. (1)	Delaware
Whole Health Management, LLC (29)	Delaware
Cypress Home Medical, Inc. (8)	Florida
Walgreen of Hawaii, LLC	Hawaii
Walgreen of Maui, Inc.	Hawaii
Walgreens (Hong Kong) Limited	Hong Kong
Bond Drug Company of Illinois, LLC (1)	Illinois
Bowen Development Company	Illinois
Deerfield Funding Corporation	Illinois
East-West Distributing Co.	Illinois
Walgreens Long-Term Care Pharmacy, LLC	Illinois
The 1901 Group, LLC	Illinois
WagBeau LLC	Illinois
Walgreen Medical Supply, LLC (22)	Illinois
Walgreen Mercantile Corporation	Illinois
Walgreen National Corporation	Illinois
Walgreen Realty Resources LLC (5)	Illinois
Walgreens Health Initiatives, Inc. (4)	Illinois
Walgreens Home Care, Inc. (8)	Illinois
Walgreens Mail Service, Inc.	Illinois
Walgreens Pharmacy Services Eastern, LLC (20)	Illinois
Walgreens Pharmacy Services Midwest, LLC (19)	Illinois
Walgreens Pharmacy Services Southern, LLC (20)	Illinois
Walgreens Pharmacy Services Western, LLC (20)	Illinois
Walgreens Pharmacy Services WHS, LLC (21)	Illinois
Walgreens Specialty Pharmacy, LLC	Illinois
Walgreens Store No. 3680, LLC	Illinois
Walgreens Store No. 7839, LLC	Illinois
Walgreens.com, Inc.	Illinois
Salient Business Solutions, Ltd. (16)	India
CHDM, LLC (26)	Indiana
TSL, Inc. (8)	Indiana
Walgreens-Option Care, Inc. (8)	Kentucky

Walgreen Louisiana Co., Inc.
 Full Road Holdings, Ltd. (15)
 Healthcare Options of Minnesota, Inc. (8)
 Rehab Options, Inc. (8)
 Walgreen Hastings Co. (1)
 Home Health of Option Care, Inc. (9)
 Hunterdon Infusion Services, L.L.C. (14)
 Trinity Home Care, LLC (10)
 Corporate Health Dimensions, Inc. (24)
 Duane Reade (13)
 Option Care of New York, Inc. (9)
 Pro Fitness Health Solutions, LLC (23)
 Springville Pharmacy Infusion Therapy, Inc. (8)
 Walgreen Eastern Co., Inc. (1)
 Cape Fear Home Health Service, Inc. (8)
 Carolina I.V. Services, Inc. (8)
 OCNC, LLC (28)
 Option Home Health, Inc. (8)
 University Option Care, LLC (17)
 Medicenter, Inc. (24)
 Option Care at Legacy, LLC (17)
 I.V. Associates, Inc. (8)
 Option Care Enterprises, Inc. (8)
 Walgreen of Puerto Rico, Inc.
 Walgreen of San Patricio, Inc.
 Walgreens (Singapore) PTE, Ltd. (32)
 Walgreens Infusion and Respiratory Services, LLC (17)
 Corinthian Care Group, LLC (8)
 Healthworks Medgroup of San Antonio, Inc. (27)
 Green Hills Insurance Company, A Risk Retention Group (25)
 Maximum Health Care Concepts, Inc. (8)
 Option Care Home Health, L.L.C. (12)
 Option Home Health – Private Duty, Inc. (8)
 Option Home Health Care Services, Inc. (8)
 S & G Health Care Management Services, Inc. (8)
 Spokane Health Care Associates, Inc. (8)
 Walgreen Oshkosh, Inc.

Louisiana
 Mauritius
 Minnesota
 Missouri
 Nebraska
 Nevada
 New Jersey
 New Jersey
 New York
 New York
 New York
 New York
 New York
 New York
 North Carolina
 North Carolina
 North Carolina
 Ohio
 Ohio
 Oklahoma
 Oregon
 Pennsylvania
 Pennsylvania
 Puerto Rico
 Puerto Rico
 Singapore
 Tennessee
 Texas
 Texas
 Vermont
 Washington
 Washington
 Washington
 Washington
 Washington
 Washington

- (1) Walgreens Hastings Co. is a direct parent of Walgreen Arizona Drug Co. Walgreen Arizona Drug Co. is a direct parent of Walgreen Eastern Co. Walgreen Eastern Co is a direct parent of Bond Drug Company of Illinois, LLC. Bond Drug Company of Illinois, LLC is a direct parent of Waltrust Properties, Inc. Waltrust Properties, Inc. is a real estate investment trust. A minority interest in Waltrust Properties, Inc. is held by outside preferred shareholders.
- (2) Happy Harry's Discount Drug Stores, Inc. (a Delaware Corporation) is a direct parent of Happy Harry's Inc. Happy Harry's Inc. is a direct parent of HHDH Corp. (a Delaware Corporation).
- (3) Walgreens Specialty Pharmacy Holdings, Inc. (a Delaware Corporation) is a direct parent of Walgreens Specialty Pharmacy, LLC (a Delaware LLC).
- (4) Walgreen Health Initiatives, Inc. is a direct parent of a New York inactive subsidiary and Walgreen Pharmacy Services WHS, LLC (an Illinois LLC).
- (5) Walgreen Realty Resources LLC is a direct parent of Walgreen Market Strategies LLC (an Illinois LLC).
- (6) Take Care Health Systems, LLC (a Delaware LLC) is a direct Subsidiary of Take Care Health Systems, Inc. (a Delaware Corporation).
- (7) Walgreens Infusion Services, Inc. (a Delaware Corporation) is a direct parent of Option Care Enterprises, Inc. (a Delaware Corporation). Option Care Enterprises, Inc. (a Delaware Corporation) is a direct parent of various subsidiaries (see footnote #8). Walgreens Infusion Services, Inc. (a Delaware Corporation) is a direct parent of various subsidiaries (see footnote # 9).
- (8) Subsidiary of Option Care Enterprises, Inc. (a Delaware Corporation).
- (9) Subsidiary of Walgreens Infusion Services, Inc. (a Delaware Corporation).
- (10) Trinity Home Care, LLC (a Delaware LLC) is a direct subsidiary of Option Care of New York, Inc. (a New York Corporation).
- (11) 13% of North County Home I.V., Inc. is owned by Option Care Enterprises, Inc. (a Delaware Corporation) and 87% by Rehab Options, Inc.
- (12) 50% owned by Option Care Enterprises, Inc. (a Delaware Corporation) and 50% owned by Option Care, Inc. (a California Corporation).
- (13) Duane Reade (A New York General Partnership) is 99% owned by Duane Reade, Inc. (a Delaware Corporation) and 1% owned by DRI-I, Inc. (a Delaware Corporation).
- (14) 50% owned by Option Care Enterprises, Inc. (a Pennsylvania Corporation).
- (15) Foreign subsidiary of Walgreens Infusion Services, Inc. (a Delaware Corporation).
- (16) 30% owned by Full Road Holdings, Ltd. (a Mauritius Entity).
- (17) 50% owned by Option Care Enterprises, Inc. (a Delaware Corporation).
- (18) 51% owned by Option Care Enterprises, Inc. (a Delaware Corporation).
- (19) 97% owned by Bond Drug Company of Illinois, LLC; 2% owned by Walgreens Louisiana Co., Inc.; 1% owned by Happy Harry's, Inc.
- (20) Subsidiary of Walgreens Pharmacy Services Midwest, LLC (an Illinois LLC).
- (21) Subsidiary of Walgreens Health Initiatives, Inc. (an Illinois Corporation).
- (22) Subsidiary of Walgreens Mail Services, Inc. (an Illinois Corporation).
- (23) Subsidiary of Take Care Health Systems, Inc. (a Delaware Corporation).
- (24) Subsidiary of Take Care Employer Solutions, LLC. (a Delaware LLC).
- (25) 99.96% owned by Take Care Employer Solutions, LLC. (a Delaware LLC) and .01% is owned by Take Care Health Systems, Inc. (a Delaware Corporation).
- (26) 99% owned by Medicenter, Inc. (an Oklahoma Corporation); 1% owned by Corporate Health Dimensions, Inc. (a New York Corporation).
- (27) Corporate Health Dimensions, Inc. (a New York Corporation) is a direct parent of Healthworks Medgroup of San Antonio, Inc. (a Texas Corporation).
- (28) 50% owned by Cape Fear Home Health Service, Inc. (a North Carolina Corporation) and 50% owned by Carolina I.V. Services, Inc. (a North Carolina Corporation).
- (29) Whole Health Management LLC (a Delaware LLC) is a direct subsidiary of Take Care Health Systems, Inc. (a Delaware Corporation).
- (30) Subsidiary of Mosso's Medical Supply Company, LLC (a Delaware LLC)
- (31) 25% owned by Walgreen Co.
- (32) Walgreens (Singapore) PTE, Ltd. (a Singapore Entity) is a wholly owned by Walgreens China Business Trust (a China Entity).
- (33) Duane Reade Holdings, Inc. (a Delaware Corporation) is a direct parent of Duane Reade, Inc. (a Delaware Corporation). Duane Reade, Inc. (a Delaware Corporation) is a direct parent of various subsidiaries (see footnote 34).
- (34) Subsidiary of Duane Reade, Inc. (a Delaware Corporation).
- (35) Walgreens China Business Trust (a China Entity) is 10% owned by Walgreen Mercantile Corporation (an Illinois Corporation) and 90% owned by East-West Distributing Co. (an Illinois Corporation).